

UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW JERSEY

In re: IMMUNE PHARMACEUTICALS INC., et al.,¹

Chapter 11

Debtors,

Case No. 19-13273 (VFP)

Hon. Vincent F. Papalia

NOTICE OF PROPOSED SALE

On March 15, 2019, Immune Pharmaceuticals Inc. (the "Immune Debtor"), debtor/debtor-in-possession, filed a motion seeking authorization to sell certain property of the estate (the "Motion"). A hearing will be held to consider the Motion on April 29, 2019 at 10:00 a.m. (the "Sale Hearing") at the United States Bankruptcy Court, Martin Luther King Federal Building, 50 Walnut Street, Courtroom 3B, Newark, New Jersey 07102 before the Honorable Vincent F. Papalia. The terms of the proposed sale are set forth below.

If you object to the proposed sale, you must file a written objection with the Clerk of the Bankruptcy (Clerk of the Court, U.S. Bankruptcy Court, Martin Luther King Federal Building, 50 Walnut Street, Newark, New Jersey 07102) and serve it on counsel for the Immune Debtor (whose contact information is listed below) no later than 7 days before the date of the Sale Hearing. **Higher and better offers must be submitted in writing to counsel for the Immune Debtor on or before April 22, 2019.**

Description of the Assets to Be Sold: Ceplene® product line and assets related thereto as more particularly described in Exhibit A hereto (collectively the "Ceplene Assets").

Deadline for Higher and Better Offers: April 22, 2019.

Sale Hearing and/or Auction: April 29, 2019 at 10:00 a.m. at the United States Bankruptcy Court, Martin Luther King Federal Building, 50 Walnut Street, Courtroom 3B, Newark, New Jersey 07102.

Proposed Purchaser: Vector Therapeutics, Inc. (f/k/a Oxygen Therapy Inc.) ("Vector")

Sale Price: \$10,550,169.60 (the "Purchase Price"), representing (A) a net price to the Immune Debtor of \$8,791,808.00 which consists of (i) a cash payment of \$2,500,000 (the "Cash Purchase Price") with \$2,250,000 (the "Initial Payment") payable at closing and \$250,000 payable on or before July 31, 2019; (ii) the assumption of certain liabilities in the aggregate amount of \$1,291,808; (iii) \$5,000,000 in the form of a release of claims against the Immune Debtor's estate held by Meda Pharma SARL ("Meda") arising under the Asset Purchase Agreement between Meda and the Immune Debtor dated June 15, 2017 (the "Meda Agreement"), which release has been obtained by Vector through the proposed payment of a \$4,000,000 cure payment to Meda; and (B) 20% of the Purchase Price in the amount of \$1,758,361.60 that is payable by Vector to the Licensors of the Ceplene patents² upon the sale of the Ceplene Assets pursuant to the terms of the License Agreements.

¹ The following Immune Pharmaceuticals, Inc.'s subsidiaries also filed voluntary petitions for relief with this Court: Immune Pharmaceuticals, Ltd., Cytovia, Inc., Maxim Pharmaceuticals, Inc., Immune Pharmaceuticals USA Corp. and Immune Oncology Pharmaceuticals Inc. (collectively the "Debtor Subsidiaries"). The Chapter 11 bankruptcy cases of the Debtor Subsidiaries have been administratively consolidated for procedural purposes only with the above-captioned action.

² All capitalized terms, not otherwise defined herein, shall have the meaning set forth in Exhibit A hereto.

Agreements to Be Assumed and Assigned by the Immune Debtor or by Consent: The Immune Debtor shall assume and assign the following agreements to Vector: (a) the Meda Agreement; and (b) the License Agreements and (c) the European commercialization and regulatory Agreements (the “Noventia Agreements”) with Noventia Pharma SRL (“Noventia”). The Immune Debtor’s ability to assume and assign the Meda Agreement, the License Agreements and the Noventia Agreements to any other interested third party may be contingent on such third party reaching an agreement with Meda, the parties to the License Agreements and Noventia, respectively (as Vector has done).

No Contingency: At the time the Immune Debtor filed the Motion, the APA with Vector was contingent on Vector reaching an agreement with Meda as to the cure amounts owed under the Meda Agreement. Such contingency has been satisfied. Vector has also obtained releases of the Immune Debtor from the counterparties to the License Agreements and from Noventia.

Readily Available Funds at Closing: Vector has agreed to provide the Immune Debtor with the Initial Payment by way of a certified check at the Sale Hearing.

Higher and better offers must be submitted in writing, to counsel for the Immune Debtor on or before April 22, 2019. Further, proof of the financial wherewithal to close on the transaction must be submitted to counsel for the Immune Debtor on or before April 22, 2019. This proof must be provided by all potential bidders, including Vector. Any interested bidders must have the cash component of its bid including its cure payment to Meda (as required by Meda) (as opposed to monies for assumed liabilities) available by certified funds at the Sale Hearing. Should the interested bidder desire to potentially increase its bid at the Sale Hearing, the interested bidder must have a witness at the hearing prepared to testify about the financial wherewithal of the bidder with written evidence of (i) sufficient cash on hand to fund the cash portion of its purchase price or (ii) sources of immediately available funds that are not conditioned on third-party approvals or commitments, in each case that will allow the Immune Debtor to make a reasonable determination as to the bidder’s financial and other capabilities to consummate the transaction contemplated herein. Any interested bidders must also disclose their intentions and negotiations with respect to obtaining consents from Meda, the counterparties to the License Agreements and Noventia to the assumption of their respective agreements.

Offers, objections and/or requests for additional information (including a complete copy of the Motion, the APA, the Amendment to the APA, the Meda Agreement, the License Agreements and the Noventia Agreements) shall be directed to:

Name: Morris S. Bauer, counsel for the Immune Debtor.
Address: Norris, McLaughlin, PA,
400 Crossings Boulevard, 8th Floor
Bridgewater, New Jersey 08807
Telephone: (908) 722-0700
Email: msbauer@norris-law.com

Exhibit A

Ceplene Assets

- all of Seller's right, title and interest in all marketing authorizations and all associated and relevant information and documents relating to Ceplene® (histamine dihydrochloride) (the "Product");
- all of Seller's right, title and interest to manufacture and market the Product worldwide (the "Territory");
- all of Seller's right title and interest in (i) the License Agreement, dated June 21, 2016, by and among Seller, Dr. Kristoffer Hellstrand and the other persons party thereto (Dr. Hellstrand and such other persons, collectively the "Licensors"), and (ii) the License Agreement, dated July 18, 2018, by and among Seller and one or more of the Licensors (collectively, the "License Agreements");
- all data, documents, permits, licenses, registrations, and authorizations for the past, ongoing and future development and clinical trials, studies (of any nature) for the Product, including:
 - all data and other documents relating to any clinical trial or study of the Product;
 - REMAIN study;
 - trials at the Karolinska Hospital in Stockholm; and
 - Studies approved by the ethics board by MPA in Sweden;
- all of Seller's right, title and interest in permits, licenses, registrations, distribution and marketing authorizations and rights for the pricing and reimbursement of the Product in the Territory;
- all relevant intellectual property rights related to Ceplene, any and all national and international intellectual property rights in the Territory registered or capable of being registered in a public register in the relevant country, including, but not limited to, all patent rights, model and design rights, topography rights and/or trademark rights any and all applications for such rights, as well as any similar rights, including the following:

CEPLENE PATENT FAMILY

PC Ref. No.	Title	Application No.	Filing Date
P-79726-PC	HISTAMINE DIHYDROCHLORIDE COMBINATIONS AND USES THEREOF	PCT/IL2017/050160	February 8, 2017

P-79726-AU	As above	2017216927	August 8, 2018
P-79726-BR	As above	BR 11 2018 016420	August 8, 2018
P-79726-CA	As above		August 8, 2018
P-79726-CL	As above	201802136	August 8, 2018
P-79726-CN	As above		August 8, 2018
P-79726-CO	As above		August 8, 2018
P-79726-EP	As above	17749979.5	
P-79726-IL	As above	261009	
P-79726-JP	As above		August 8, 2018
P-79726-MX	As above	MX/a/2018/009621	August 8, 2018
P-79726-SA	As above		August 8, 2018
P-79726-ZA	As above		August 8, 2018
P-79726-TN	As above		August 8, 2018
P-79726-AE	As above		August 8, 2018
PC Ref. No.	Title	Patent No.	Filing Date
P-568822-AU	SYNTHESIS OF HISTAMINE DIHYDROCHLORIDE	763523	December 20, 1999
P-568822-EP MAXIM.067VEP	As above	1140857	December 20, 1999
P-568822-AT	As above	AT399769	December 20, 1999
P-568822-BE	As above	BE1140857	December 20, 1999
P-568822-CA MAXIM.067VCA	As above	2356871	December 20, 1999
P-568822-CN	As above	1155579	December 20, 1999
P-568822-CY	As above	CY1108379	December 20, 1999
P-568822-DK	As above	DK1140857	December 20, 1999
P-568822-FI	As above	FI1140857	December 20, 1999
P-568822-DE	As above	DE69939027	December 20, 1999
P-568822-GR	As above	GR1140857	December 20, 1999
P-568822-HK	As above	1040998	December 20, 1999
P-568822-IN	As above	205849	December 20, 1999
P-568822-IE	As above	IE1140857	December 20, 1999
P-568822-IL MAXIM.067VIL	As above	143570	December 20, 1999
P-568822-IT	As above	IT1140857	December 20, 1999
P-568822-JP	As above	4139082	December 20, 1999
P-568822-LU	As above	LU1140857	December 20, 1999
PC Ref. No.	Title	Patent/Application No.	Filing Date
P-568822-MC	As above	MC1140857	December 20, 1999
P-568822-NL	As above	NL1140857	December 20, 1999
PC Ref. No.	Title	Patent No.	Filing Date
P-568822-NZ	As above	512935	December 20, 1999
P-568822-PT	As above	PT1140857	December 20, 1999
P-568822-ES	As above	ES2310056	December 20, 1999
P-568822-SE	As above	SE1140857	December 20, 1999
P-568822-CH	As above	CH1140857	December 20, 1999

P-568822-TW	As above	1243166	December 20, 1999
P-568822-GB	As above	GB1140857	December 20, 1999
P-568822-FR	As above	FR1140857	December 20, 1999
P-576483-US	SYNERGISTIC TUMORICIDAL RESPONSE INDUCED BY HISTAMINE	6498181	January 6, 1999
PC Ref. No.	Title	Patent No.	Filing Date
P-574633-US1 MAXIM.085DV3	METHODS AND COMPOSITIONS FOR PROMOTING THE MATURATION OF MONOCYTES	6893633	May 30, 2002
P-574633-US3	As above	6790440	May 30, 2002
P-576559-US3 MAXIM.066DV2	TREATMENT AND PREVENTION OF REACTIVE OXYGEN METABOLITE-MEDIATED CELLULAR DAMAGE	6730692	June 11, 2002
PC Ref. No.	Title	Patent/Application No.	Filing Date
P-574633-US2 MAXIM.085DV4	METHODS AND COMPOSITIONS FOR PROMOTING THE MATURATION OF MONOCYTES	6821510	May 30, 2002
P-576589-USP IMMUN.230PR	COMPOUNDS AND METHODS FOR TREATING CANCER	(App. No. 62/526952)	June 29, 2017
P-576590-USP IMMUN.231WO	METHODS AND COMPOSITIONS FOR TREATING TUMORS COMPRISING A BCR-ABL1 GENE FUSION	PCT/US2018/043534	July 25, 2018
P-576592-USP IMMUN.233WO	METHODS AND COMPOSITIONS FOR TREATING AND PREVENTING METASTATIC CANCER	PCT/US2018/043693	July 25, 2018
IMMUN.234PR	METHOD AND COMPOSITION FOR TREATING COLON CANCER AND BREAST CANCER	(App. No. 62/714888)	August 6, 2018

PC Ref. No.	Title	Patent/Application No.	Filing Date
P-578242-USP	NOX2 INHIBITORS AND LOW-DOSE INTERLEUKIN-2 FOR TREATING ACUTE MYELOID LEUKEMIA WITH NORMAL KARYOTYPE	(App. No. 62/662246)	April 25, 2018

CEPLENE	T-80012-AU	5	858297	23-Nov-00	858297	17-May-01	Australia	Registered. Deadline for renewal is: 23-Nov-2020
CEPLENE	T-80012-CA	5	1078344	12-Oct-00	TMA687350	09-May-07	Canada	Registered. Deadline for renewal is: 09-May-2022
CEPLENE	T-80012-CH	5	13973/2000	23-Nov-00	483420	04-Apr-01	Switzerland	Registered. Deadline for renewal is: 23-Nov-2020
CEPLENE	T-80012-CN	5	2001045526	28-Mar-01	1760656	07-May-02	China	Registered. Deadline for renewal is: 06-May-2022
CEPLENE	T-80012-EU	5	1965656	22-Nov-00	1965656	22-May-02	European Union	Registered. Deadline for renewal is: 22-Nov-2020
CEPLENE	T-80012-IL	5	144206	26-Nov-00	144206	03-Sep-07	Israel	Registered. Deadline for renewal is: 26-Nov-2021
CEPLENE	T-80012-IS	5	2516/2003	06-Oct-03	30/2004	02-Jan-04	Iceland	Registered. Deadline for renewal is: 02-Jan-2024
CEPLENE	T-80012-JP	5	2001-029763	30-Mar-01	4671668	16-May-03	Japan	Registered. Deadline for renewal is: 16-May-2023
CEPLENE	T-80012-LI	5	13015	08-Oct-03	13015	13-Jan-04	Liechtenstein	Registered. Deadline for renewal is: 08-Oct-2023
CEPLENE	T-80012-NO	5	2003309400	07-Oct-03	224104	01-Sep-04	Norway	Registered. Deadline for renewal is: 01-Sep-2024
CEPLENE	T-80012-US	5	76138212	29-Sep-00	2967403	12-Jul-05	United States	Registered. Deadline for renewal is: 12-Jul-2025
CEPLENE	T-80012-US2	5	86862397	30-Dec-15			United States	Application pending. Deadline to file a Request for Statement of Use is: 24-Jan-2019

- all of Seller's right, title and interest in the Meda Asset Purchase Agreement, as modified, if applicable, by the Meda Modification;
- all of Seller's and Cytovia International Sarl's right, title and interest in the Nominee Agreement, dated March 27, 2018, by and among Cytovia International Sarl (a/k/a Cytovia International LLC) ("Cytovia International") and Noventia Pharma SRL ("Noventia") (the "Nominee Agreement") and (ii) the Outsourcing Agreement, dated March 27, 2018, by and among Cytovia International and Noventia (collectively, the "Noventia Agreements") which will be acquired by Buyer upon acquisition of the issued and outstanding shares of capital stock of Cytovia International; and
- all issued and outstanding shares of capital stock of Cytovia International.